



SOMALIA CREDIT GUARANTEE SCHEME (SCGS)

Partners: Sida, Somali Financial Institutions, Swedish Embassy, Swedish National Debt Office

Shuraako Role: Fund Manager

Duration: 4 years

Fund Size: USD 5.0 M

Description:

Shuraako worked with Somali banks and the Swedish International Development Cooperation Agency (“Sida”) to design, launch and manage the \$5.0 million credit guarantee program with major Somali Financial Institutions to provide guarantees for loans to small and medium sized enterprises (with an emphasis on female and youth owned businesses) throughout Somalia. The program has raised a lot of attention as it is the first credit guarantee ever in Somalia and one of the only Sharia-compliant guarantees in the world.

Activities:

Shuraako, along with Somali banks, qualifies participants, conducts due diligence on loan applications, approves/denies the issuance of guarantees on behalf of Sida, prepares reports on outstanding guarantees, manages the claim process, provides periodic reporting on post-claim recoveries, and prepares an annual program report.

Investment Criteria:

- MSMEs that are legally registered and/or licensed in Somalia.
- Seeking a Murabaha investment between USD \$5,000 –\$150,000.
- Not engaged in activity, production, use, distribution, or trade involving any items on the SCGS exclusions list.
- Shuraako primarily targets, and communicates to financial institutions that they should primarily target youth and women MSME applicants, in order to achieve objectives listed below:
 - Female borrowers should be prioritized; women should be targeted to comprise a minimum of 30% and on a “best effort” basis up to 50% of Qualifying Loans.
 - Youth borrowers (ages 18 to 35 years old) should also be prioritized; youth should be targeted to comprise a minimum of 30% and on a “best effort” basis up to 50% of Qualifying Loans.

For More Information Please Contact:

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